

OCCIDENTAL Hotels Corrective ACTION PLAN

#	Task Description	Indicator that the task has been completed	Required Completion Date
1.	<p><u>Implementation of Total Quality Management Program (TQM) (formerly GHRMS Project) All Hotels, All Departments, All Activities.</u> Implement the management system to identify, mitigate, manage, and prevent risks to employees and guests and to implement the requirements of local regulatory and IFC guideline requirements in environmental management; and an occupational safety and health program consistent with IFC Occupational Safety and Health guideline requirements. Total quality management program shall include policies, organization and management tools and procedures required to fully implement all aspects for all hotels, all departments, and all activities.</p>	<p>Fully implemented Total Quality Management System. Written confirmation to IFC that the system has been implemented; submittal of announcement for all Occidental staff describing the purpose and function for near- and long terms.</p>	<p>No Later than 31 December 2005</p>
2.	<p><u>Establish Strategic Risk Committee.</u> Establish a strategic risk committee made-up of Marsh Risk Consulting Project Managers, Occidental project managers, and an IFC representative. Establish a schedule for quarterly meetings; conduct all quarterly meetings as scheduled. Purpose of the committee will be to evaluate accomplishments to date and, to prioritize future actions to enhance functionality, pervasiveness and effectiveness of the TQM program.</p>	<p>Written confirmation to IFC that the committee has been established; submittal of announcement for all Occidental staff describing the committee, purpose and function for near- and long term.</p>	<p>Condition of First Disbursement for the Occidental DR Project</p>
3.	<p><u>Appoint Total Quality Management Program Manager.</u> Appoint senior staff person to be the Total Quality Management Program director; the position shall be a direct report to the Occidental Management Committee. The TQM Program Director shall be responsible for implementation and certification of the Total Quality Management Program (GHRMS Project), Life and Fire Safety Auditing and Reporting; and completion of all A1 high priority (Acute) and A2 (longer-term) life</p>	<p>Written confirmation to IFC that the appointment has been made; submittal of announcement for all Occidental staff describing the appointment, purpose and function for near- and long term.</p>	<p>Condition of First Disbursement for the Occidental DR Project</p>

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	and fire safety corrective actions (See Below).		
4.	<p><u>Establish Corporate Total Quality Management Program Committee.</u> Establish committee made up of the corporate risk manager and representatives of relevant departments including technical, operations, administration, and corporate affairs. The committee shall function as the primary tool to review, validate, and approve all aspects of the Total Quality Management Program prior to implementation and to monitor implementation of overall objectives and continuing function as designed. Establish a schedule for quarterly meetings; conduct all quarterly meetings as scheduled.</p>	<p>Written confirmation to IFC that the committee has been established; submittal of announcement for all Occidental staff describing the committee appointment, purpose and function for near- and long term.</p>	<p>Condition of First Disbursement for the Occidental DR Project</p>
5.	<p><u>Complete Life and Fire Safety Audits for All Occidental Properties.</u> Conduct life and fire safety audits for the four hotels in the Mexican project (two in Playa del Carmen and two in Cozumel), the three (3) hotels in Dominican Republic (one in Punta Cana; one in Puerto Plata; and one in Santo Domingo), and the remaining fifteen (15) hotels in the Occidental chain. Each audit shall clearly define A1 high priority (Acute) life and fire safety issues and A2 (longer-term) life and fire safety issues required to comply with IFC Life and Fire Safety and Occupational Health and Safety guidelines.</p>	<p>Written Confirmation from Marsh Risk Consulting to Occidental and to IFC that all properties have been audited</p>	<p>Condition of First Disbursement for the Occidental DR Project</p>
6.	<p><u>Prepare Life and Fire Safety Audit Report and Corrective Measures Completion Schedule (Action Plan) for All Occidental Properties.</u> Prepare a report of findings for each property. The reports shall clearly state the name of the property and the title of the report shall be placed on the cover of the cover of each report. Each report shall incorporate a detailed Action Plan table listing all required corrective actions; include a designation of A₁ for high priority (acute life and fire safety issues) or a A₂ (longer-</p>	<p>Submit Life and Fire Safety Audit Reports in the revised, specified Format to IFC in hard and electronic copy.</p>	<p>Condition of First Disbursement for the Occidental DR Project</p>

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	term issues); provide a fixed completion date consisting of Month and Year; Status of the action item [e.g. ongoing, completed, etc.] and signature of the auditor to confirm completion of all corrective measures for all issues designated A ₁ and A ₂ elucidated in the audit that must be resolved to achieve compliance with IFC Life and Fire Safety and Occupational Health and Safety guidelines.		
7.	<u>Resolve all Priority A₁ (Acute) Life and Fire Safety Issues Defined in Life and Fire Safety Audit Reports for the Four (4) Mexican Hotels.</u> Complete all A ₁ (Acute) life and fire safety corrective measures resulting from the life and fire safety audit of the four (4) hotels in Mexico (two in Playa del Carmen and two in Cozumel).	IFC receipt of written Confirmation from Marsh Risk Consulting to Occidental and to IFC that all acute (priority 1) life and fire safety measures have been successfully completed. Receipt of updated audited Completion Certification signed by the architect/engineer selected to undertake the Life and Fire Safety audits for each of the hotels.	Condition of First Disbursement for the Occidental DR Project
8.	<u>Resolve all Priority A₁ (Acute) Life and Fire Safety Issues Defined in Life and Fire Safety Audit Reports for the Three (3) Dominican Republic Hotels.</u> Complete all acute life and fire safety corrective measures resulting from the life and fire safety audit of the three (3) hotels in Dominican Republic (one in Punta Cana; one in Puerto Plata; and one in Santo Domingo).	IFC receipt of written Confirmation from Marsh Risk Consulting to Occidental and to IFC that all acute (priority 1) life and fire safety measures have been successfully completed. Confirmation shall include authorized completion signature for each item in Action Plan table for each audit report.	Condition of First Disbursement for the Occidental DR Project
9.	<u>Resolve all Priority A₁ (Acute) Life and Fire Safety Issues Defined in Life and Fire Safety Audit Reports for Remaining Occidental Properties.</u> Complete all A ₁ (Acute) life and fire safety corrective measures resulting from the life and fire safety audit of the remaining the remaining sixteen (16) hotels in the	IFC receipt of written Confirmation from Marsh Risk Consulting to Occidental and to IFC that all acute (priority 1) life and fire safety measures have been successfully completed. Confirmation	No Later Than December 31 st 2004

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	Occidental chain.	shall include authorized completion signature for each item in Action Plan table for each audit report.	
10.	<p><u>Resolve all Priority A₂ (Longer-Term) Life and Fire Safety Issues Defined in Life and Fire Safety Audit Reports for all Occidental Hotels in Occidental Chain.</u> Complete all Audit Report-defined life and fire safety corrective measures resulting from the life and fire safety audit of the remaining sixteen (16) hotels in the Occidental Chain</p>	IFC receipt of written Confirmation from Marsh Risk Consulting to Occidental and to IFC that all acute (priority 1) life and fire safety measures have been successfully completed. Confirmation shall include authorized completion signature for each item in Action Plan table for each audit report.	No Later than 30 November 2006
11.	<p><u>Obtain and Maintain Internationally Recognized Certification of Total Quality Management Program (TQM).</u> Achieve certification of the management system described in item No. 1 above.</p>	Achievement of ISO 9001-2000 Certification or another Internationally Recognized Quality Management System certification acceptable to IFC.	No Later than 31 January 2006
12.	<p><u>Integration of TQM Program for New Occidental Hotels (developed or acquired).</u> For future Occidental hotels: integrate TQM Program into facility/property management.</p>	Inform IFC of Occidental plans to implement TQM including Life and Fire & Safety aspects.	No later than 180 days after Occidental assuming operation

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